



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 26, 2022

SUBJECT: FOURTH AMENDMENT TO MASTER AGREEMENTS FOR THE WATER DIVISION PAVING CONTRACTOR PANEL FOR A THREE-YEAR EXTENSION – ALL AMERICAN ASPHALT OF CORONA; HARDY AND HARPER, INC. OF SANTA ANA; R.J. NOBLE CO. OF ORANGE; AND MEDINA CONSTRUCTION OF RIVERSIDE

ISSUE:

Consider approving the Fourth Amendment to Master Agreements for the Water Division Paving Contractor Panel for a three-year extension with All American Asphalt of Corona; Hardy and Harper, Inc., of Santa Ana; R.J. Noble Co., of Orange; and Medina Construction of Riverside.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Fourth Amendment to Master Agreements for the Water Division Paving Contractor Panel for a three-year extension with All American Asphalt of Corona; Hardy and Harper, Inc., of Santa Ana; R.J. Noble Co., of Orange; and Medina Construction of Riverside; and
2. Authorize the City Manager, or designee, to execute the Master Agreements, including making minor and non-substantive changes.

BACKGROUND:

Riverside Public Utilities (RPU) constructs water pipeline replacement projects by hiring outside contractors and using RPU's water construction crews. An essential part of these projects is repaving the work or trench area. Repaving of the trench area is included as part of the project when outside contractors perform the job. However, when RPU crews perform pipeline replacement projects, a repaving contractor must be hired directly by RPU, as water crews do not have paving experience or the equipment to perform this work. Public Works Department teams provide trench area repaving services to RPU when they can fit the work into their schedule and meet the project's deadlines. Otherwise, RPU must use outside paving contractors.

To ensure RPU repaving projects are completed quickly, the Board of Public Utilities (Board) recommended that the City Council (Council) establish the Water Division Paving Contractor Panel (Panel) on November 19, 2010, and the Council subsequently approved the Panel on December 7, 2010. The Panel proved to be very successful as a means for RPU to repave its pipeline replacement projects, and on November 1, 2013, the Board approved the First

Amendment to the Master Agreements for members of the Panel to extend the term for three years through October 23, 2016. On September 26, 2016, the Board approved the Second Amendment to the Master Agreements, extending the term for an additional three years, through October 23, 2019. On September 23, 2019, the Board approved the Third Amendment to the Master Agreements, extending the term for an additional three years, through October 23, 2022.

On July 11, 2017, the City Council adopted a resolution authorizing the City Manager, or designee, to award works of public construction to the lowest, responsive and responsible bidder for construction not to exceed \$500,000, for projects advertised for bid under the Water Division Paving Contractor Panel, if the expenditure has been approved by either the Board of Public Utilities or the City Council, as applicable; and directing the City Manager to seek Board of Public Utilities approval to add qualified contractors to the Water Division Paving Contractor Panel as needed.

DISCUSSION:

Staff recommends renewing the Panel for an additional three-year term with the same provisions as previously approved by the Council on December 7, 2010, and July 11, 2017. The Panel allows members to receive a bid solicitation and a set of engineering plans and specifications from the Purchasing Manager when RPU determines a need to use the Panel for new construction, installation, maintenance, repair, modification, or extension of work. Because Panel members have already executed a Master Agreement that includes the general and legal requirements of the contract, only the technical scope of work remains to be bid, reducing the amount of time to secure the contractor. Just as with a formal bid, the contract will be awarded to the lowest responsive bid submitted by the Panel members.

The Panel is used for projects that meet the following three criteria:

- 1) Construction of the project needs to start within two months from start of design;
- 2) Project cost is between \$50,000 and \$500,000; and
- 3) City Forces do not have the ability (expertise) or the capacity (resources) needed to construct the project within the timeframe required.

Projects that deviate from these criteria proceed using the formal procurement process detailed in the Purchasing Resolution.

The Board will continue to approve the Work Order expenditure for such Panel projects in excess of \$50,000.

The current Panel members:

NO.	CONTRACTOR'S NAME	CITY LOCATION
1	All American Asphalt	Corona, CA
2	Hardy and Harper, Inc.	Santa Ana, CA
3	R.J. Noble Co.	Orange, CA
4	Ben's Asphalt and Maintenance Co., Inc. dba Medina Construction	Riverside, CA

The Purchasing Manager concurs that the recommended action follows Purchasing Resolution 23812 Section 1104 (5): "Change Orders. Modifications to a Purchase Order shall be made only by Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes

of (1) adding and/or deleting quantity of items being procured, (2) modifying unit prices, (3) modifying scope of work/services being provided, where the modification is reasonably related to the original scope of work/services, (4) changing funding source(s), (5) modifying contract completion time or the term of an Contract, or (6) any other change approved by the Manager.”

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility and Connectivity** and **Goal 6.2** – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – A public-facing project website was utilized to solicit interested vendors for the establishment of the Panel.
2. **Equity** – RPU endeavors to provide safe and reliable water service to all its customers. Since RPU’s water system is an interconnected network, investments made to individual parts of the system improve the reliability of the overall system, thereby providing an equitable benefit to all customers.
3. **Fiscal Responsibility** – The lowest price for the construction services and thereby the best value for RPU’s customers will be ensured through a competitive bidding process.
4. **Innovation** – A collaborative and innovative approach is used to replace the water facilities in such a way to minimize potential disruptions to the community.
5. **Sustainability & Resiliency** – The construction materials specified for this project are considered best practices in the industry and are expected to last well into the future.

FISCAL IMPACT:

There is no fiscal impact at this time. Panel project expenditures that exceed \$50,000 will be approved by the Board along with their respective Work Order authorizations.

Prepared by:	David A. Garcia, Utilities Assistant General Manager/Water
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Certifies availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
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Attachments:

1. Water Division Paving Contractor Panel list showing all work over the past three years
2. Fourth Amendment to Master Agreements
3. Presentation